

Chapter 8: Exam practice question

HMV Buys MAMA Group in live music takeover deal

- 1 Define the term 'change management'. (2)

This involves planning, implementing, controlling and reviewing the movement of an organisation from its current state to a new one.

Apply **Resources table 3a** mark bands.

- 2 Explain the role a project team might have in changing the direction of HMV. (4)

This question has potentially very detailed responses which may go beyond the 4 marks (7 minutes) allocated. Change management is a complex and large subject area which tends to form part of higher-level questions.

Define project team: a group of employees entrusted with managing a defined project (this may be a change management project). The team may consist of specialist employees required for the success of the new project.

Identified role responsibilities may include:

- identification of areas for change, e.g. change by acquisition, Pure HMV loyalty card scheme, 50% stake in 7digital, pilot HMV Curzon-branded cinema in Wimbledon
- establishment of new vision and objectives
- ensuring resources are in place
- planning change, e.g. timing, HR hiring/firing/retraining needs, finance, legal requirements
- implementing
- controlling
- reviewing
- conflict avoidance measures, for example:
 - education of major stakeholders, e.g. shareholders, who must approve the MAMA offer
 - communication
 - involving major stakeholders in the decision-making process
 - supporting staff
 - negotiating
 - manipulating/threatening where there is still resistance to change.

Apply **Resources table 2** mark band descriptors.

For maximum marks in some past IB examination papers, students must first recognise the existence of potential conflict when changes are introduced.

- 3 Analyse **two** driving forces and **two** restraining forces which are influencing HMV's 'transformation plan' as it tries to change the direction of the organisation. (8)

This type of analysis is more typical of HL questions.

Define driving and restraining forces: these are the opposing factors which may help or hinder the change and/or its chance of success.

Driving forces (**two** required) may include:

- falling sales and growth of illegal downloads, which may make internal stakeholders more willing to co-operate
- management enthusiasm for expanding into live music as a new market
- any other relevant point.

Restraining forces (**two** required) may include:

- conflict arising from resistance to change
- HMV may not be recognised as a player in the live music market
- lack of HMV management expertise in the new areas
- finance
- shareholders may not approve the MAMA deal
- any other relevant point.

SL: apply **Resources table 1** mark band descriptors.

HL: apply **Resources table 2** mark band descriptors.

Links to the case study are required for higher mark bands.

A conclusion is **not** required for this question.

- 4 Using an appropriate business model, analyse how HMV's proposed takeover of MAMA Group will give it a competitive advantage in the music industry. (6)

The question may be interpreted as referring to Lewin's force-field analysis model (**HL**).

A force field model should be constructed, with driving and restraining forces identified on opposing sides in columns to the left and right of a centrally recognised proposal for change – in this case the takeover of MAMA Group.

Each force should have an estimated score noted beside it (1 is weak, 5 is strong) and these should be totalled at the bottom of each column.

Driving forces/forces for change:

- need for a new area of operation to compensate for problems in traditional areas
- enthusiasm of management

- wider market (spreads operational risk)
- improved profitability
- access to new expertise in MAMA Group
- any other relevant points

Restraining forces/forces against change:

- cost of convincing shareholders to approve the takeover
- differences in corporate cultures
- time and costs required to subsume MAMA into HMV
- potential staff redundancies
- training costs
- any other relevant points

SL: apply **Resources table 1** mark band descriptors.

HL: apply **Resources table 2** mark band descriptors.

Links to the case study are required for higher mark bands. Scores must be included for maximum points.